

Exhibits A-1 and A-2

Project Area Income

Exhibit A-1, for FY 2005-06, reports all project area contributions and the amount deposited to the Low-Mod Fund that includes the additional income detailed in Exhibit A-2. Sources of income vary among agencies and project areas which explain why Exhibit A-1 identifies data reported by 340 agencies for 656 project areas whereas, in Exhibit A-2, 310 agencies reported income generated in 472 project areas. Project area income consists mostly of: (1) property tax increment required to be deposited (the law specifies special circumstances that enable some agencies to exempt and/or defer from deposit some or all of the required minimum set-aside of property tax increment received) and, (2) additional income such as rent, grants, and/or sale of property, etc.

Exhibit A-1 shows a total of \$1,329,043,201 of project area receipts was deposited to the Low-Mod Fund. This amount reflects the net deposit of property tax increment set-aside of (\$785,498,512) combined with prior year repayment deferrals (\$2,083,346) and project area additional income (\$541,461,343). The net deposit of property tax increment is derived from subtracting exemptions of \$14,263,416 and deferrals of \$2,548,203 (refer to Exhibits B-1 and B-2, respectively) from the total property tax increment set-aside allocation of \$802,310,131.

Exhibit A-2 identifies, for applicable agencies and project areas, the sources of additional income deposited to the Low-Mod Fund (\$541,461,343 total for this reporting year). Additional income comes from interest (\$67,116,806); rents and leases (\$13,139,570); sale of real estate (\$29,816,252); grants (\$4,904,340); receipts for administering bond programs (\$161,186); repayment of loans (\$63,398,172); debt proceeds (\$240,328,613); and other sources (\$122,596,404) such as transfers, credits, and prior year adjustments.

As reported in Exhibit A-1, project area receipts of property tax increment allocations, deferral repayments, and additional income make up most of what was deposited to the Low-Mod Fund. Many agencies generate revenues that are not derived from project areas, such as interest accruing to the Low-Mod Fund from investments and loan repayments. Revenues derived from sources other than project areas are reported as generated by the agency's Low-Mod Fund on Schedule C, under the category "Project Area Receipts and Housing Fund Revenues," (refer to Exhibit C-1 under "Housing Fund Revenues"). The combined amount of Exhibit C-1's "Housing Fund Revenues" (\$151,452,768) and Exhibit A-1's "Total Project Area Receipts" (\$1,329,043,201) make up the total amount deposited to the Low-Mod Fund (\$1,480,495,969).